



Minneapolis College Preparatory School

2131 12th Avenue North, Minneapolis, MN 55411

Phone: 612-200-2274

Fax: 612-529-2710

www.minneapoliscollegeprep.org

Received & Inspected

DEC 10 2012

FCC Mail Room

December 5, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

Dear Ms. Dortch:

CC DOCKET NO. 02-6

REQUEST FOR REVIEW/REQUEST FOR WAIVER

I am writing regarding Minneapolis College Preparatory School's application for the Funding Year 2012 E-rate funding. I wish to appeal an application decision that appears to be in error.

My appeal relates to the following:

Billed Entity Applicant Name: Minneapolis College Preparatory School
Funding Request Number: 2328197
Form 471 Application Number: 855799
Contact Name: Angela Chang
Contact Phone Number: 612-200-2274
Contact E-mail: achang@minneapoliscollegeprep.org

The reason for the appeal is based on the November 7, 2012 letter from USAC/Schools and Libraries entitled "Administrator's Decision of Appeal – Funding Year 2012-2013". The letter explains that the "Minneapolis College Preparatory School failed to provide evidence that USAC erred in its initial decision; consequently, the appeal is denied". This denial was based on the free and reduced lunch numbers. The letter also explains that the "appeal requests additional funds that were not included in the FCC Form 471".

- There was a Form 471 application filed as Basic Maintenance of Internal Connections, Form 471 #855799. At the time the Form 471 was filed, March 12, 2012, there were no students at the school. The Minneapolis College Preparatory School is a new Charter School based in Minneapolis, MN and opened September, 2012. As of September 25, 2012, the free and reduced lunch numbers reflect a 90% E-Rate discount instead of the 20% listed on the Form 471. This information was also reported to the MN Department of Education and a signed copy is attached.

This appeal is based on the information that was given at the USAC/Schools and Libraries 2011 E-Rate Training held on October 10, 2011 in Minneapolis, MN. Attached is the USAC PowerPoint delivered at the conference, "Calculating Discounts, Fall 2011

Applicant Trainings". On page 14 directions for "Calculating Your Discount" - Private/Charter Schools is given. Listed on the attached documentation, "**Population is unknown: apply for 20% but can amend with actual figures if obtained later**". Attached is signed documentation stating as of September 25, 2012 the actual free and reduced lunch numbers reflect a 97% discount which equates to a 90% E-Rate discount according to the Discount Matrix supplied by Schools and Libraries.

• SCHOLARSHIP • DISCIPLINE • HONOR •

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- The Minneapolis College Preparatory School is not requesting any additional funds that were not included in the FCC Form 471 submitted on March 12, 2012. Because of not having students at the school at the time of filing the Form 471 and being required to list the free/reduced lunch discount as 20%, it appears that additional funds are requested. This is not true, as the attached, signed Basic Maintenance Agreement shows the total amount requested as \$18,000.00. The total amount requested has not changed. The discount percentage was changed to 90% as of September 25, 2012, but was done in accordance with the information delivered at the USAC/Schools and Libraries 2011 E-Rate Training.

We believe that everything was done in accordance with FCC rules and that the denial for Basic Maintenance of Internal Connections has been determined in error. We request that the "Denied" decision is reviewed and a new determination is made.

In support of this appeal, attached are the following:

- **Funding Commitment Decision Letter dated 08/13/2012**
- **MARSS Compensatory Revenue Student Count Report signed by Angela Chang, Principal, confirming the free and reduced lunch numbers**
- **USAC Powerpoint titled *"The E-Rate Program, Calculating Discounts, Fall, 2011 Applicant Trainings"***
- **Managed IT Proposal/Agreement for Basic Maintenance of Internal Connections originally submitted with the Form 471 on March 12, 2012**

The Minneapolis College Preparatory School is a new Charter School. Participating and receiving E-Rate dollars is very important to the school as well as the ability to install the technology to promote academic excellence to its students.

Please amend the Funding Commitment Letters to reflect the 90% discount. Thank you for your attention to this matter.

Sincerely,

Angela Chang
Principal



Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2012: 07/01/2012 - 06/30/2013)

August 13, 2012

Angela Chang
MINNEAPOLIS COLLEGE PREPARATORY SCHOOL
PO Box 14922
Minneapolis, MN 55414

Re: Form 471 Application Number: 855799
Billed Entity Number (BEN): 16066880
Billed Entity FCC RN: 0021341953
Applicant's Form Identifier: 1606222712-BM

Thank you for your Funding Year 2012 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$3,600.00 is "Denied."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 855799 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2012," AND
 - The exact text or the decision that you are appealing.

Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West, PO Box 685, Parsippany, NJ 07054-0685
Visit us online at: www.usac.org/sl

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

OBLIGATION TO PAY NON-DISCOUNT PORTION

Applicants are required to pay the non-discount portion of the cost of the products and/or services to their service provider(s). Service providers are required to bill applicants for the non-discount portion. The FCC stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If USAC is being billed via the FCC Form 474, the service provider must bill the applicant at the same time it bills USAC. If USAC is being billed via the FCC Form 472, the applicant pays the service provider in full (the non-discount plus discount portion) and then seeks reimbursement from USAC. If you are using a trade-in as part of your non-discount portion, please refer to our website for more information.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Billed Entity Name: MINNEAPOLIS COLLEGE PREPARATORY SCHOOL
BEN: 16066880
Funding Year: 2012

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 855799
Funding Request Number: 2328197
Funding Status: Not Funded
Category of Service: Basic Maintenance of Internal Connections
Form 470 Application Number: 699170000987648
SPIN: 143028479
Service Provider Name: Syand Corporation
Contract Number: N/A
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2012
Service End Date: N/A
Contract Award Date: 03/05/2012
Contract Expiration Date: 06/30/2013
Site Identifier: 16066880
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$18,000.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$18,000.00
Discount Percentage Approved by the USAC: 20%
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded
Funding Commitment Decision Explanation: DR: Given Program demand, the funding cap will not provide for Internal Connections and/or Basic Maintenance of Internal Connections at your approved discount level to be funded. Please see <http://www.universalservice.org/sl> for further details.

FCDL Date: 08/13/2012
Wave Number: 006
Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2013
Consultant Name: BONNIE OVERWEG
Consultant Number (CRN): 16062227
Consultant Employer: Dakota Academic Consulting

FUNDING COMMITMENT REPORT
Billed Entity Name: MINNEAPOLIS COLLEGE PREPARATORY SCHOOL
BEN: 16066880
Funding Year: 2012

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 855756
Funding Request Number: 2328070
Funding Status: Not Funded
Category of Service: Internal Connections
Form 470 Application Number: 699170000987648
SPIN: 143028479
Service Provider Name: Syand Corporation
Contract Number: N/A
Billing Account Number: N/A
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2012
Service End Date: N/A
Contract Award Date: 03/05/2012
Contract Expiration Date: 06/30/2013
Site Identifier: 16066880
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$78,875.00
Pre-discount Amount: \$78,875.00
Discount Percentage Approved by the USAC: 20%
Funding Commitment Decision: \$0.00 - Srvc/Discnt will NOT be funded
Funding Commitment Decision Explanation: DR: Given Program demand, the funding cap will not provide for Internal Connections and/or Basic Maintenance of Internal Connections at your approved discount level to be funded. Please see <http://www.universalservice.org/sl> for further details.

FCDL Date: 08/13/2012
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MARSS COMPENSATORY REVENUE STUDENT COUNT REPORT

Serving District MINNEAPOLIS COLLEGE PREPARATORY
Serving School 010 MINNEAPOLIS COLLEGE PREPARATORY

USING FALL DATA
2012-2013 SCHOOL YEAR
School Level of Detail

Page 1
Edited 9/25/2012 6:16:25PM
Printed 12:26:49PM

Information contained in this report must be treated as private data on students.

Grade Level	0 Ineligible	1 Reduced	2 Free	Total Eligible for Reduced Price Meals		Total Eligible for Free Meals		Combined Totals for Reduced + Free Meals		Compensatory Revenue Enrollment Total
09	3	9	39	9	17.7%	39	76.5%	48	94.1%	51
Totals:	3	9	39	9	17.6%	39	76.5%	48	94.1%	51

Angela E. Chang
Angela E. Chang

10/8/12
Date

This report represents data at a preliminary stage.

Student records with local errors are excluded from this report as well as students with State Aid Categories 14*15*16*17*18*20*21*24*25*28*52*98.
To be included in the Compensatory Revenue counts, students must be enrolled over October 1.

Version 1

Marss12_Compensatory_Revenue_Student_Count

The E-Rate Program

Calculating Discounts

Fall 2011 Applicant Trainings

Calculating Discounts

Calculating Your Discount

Calculating Your Discount

Discounts are based on:

- Percentage of students eligible for the National School Lunch Program (NSLP) or an equivalent measure of poverty
- Urban/Rural status of the county or census tract in which the school or library building is located
- Applicants must maintain third party verification of student counts

Discount Matrix

% of Eligible Students	Urban	Rural
Less than 1%	20%	25%
1% - 19%	40%	50%
20% - 34%	50%	60%
35% - 49%	60%	70%
50% - 74%	80%	80%
75% - 100%	90%	90%

Calculating Your Discount

Individual Schools

- Determine number of students eligible for NSLP
- Determine urban/rural status of the school location
- Look up discount in Discount Matrix

Calculating Your Discount

Private Schools

- Methodology same as public schools
- School does not have to participate in the NSLP in order to determine discount
- Private schools may use financial aid data to determine if a student meets the Income Eligibility Guidelines for the National School Lunch Program.
 - Receipt of scholarship does not automatically make a student eligible for the NSLP.

Calculating Your Discount

School Districts

- Calculate the discount rate for each individual school
- School District average = *weighted* average of the schools
 - Multiply E-Rate discount by total student population of the school to get weighted product
 - Add all weighted products and divide by total students in school district
- Discounts are based on schools actually receiving services in the FRN (may not be all schools in the district)

Calculating Your Discount

Individual Libraries

- Calculate the total percentage of students eligible for NSLP in the school district in which the building is located
- Use the urban/rural status of the county or census tract in which the library outlet is located

Calculating Your Discount

Library Systems

- Calculate the E-Rate discount for each library outlet
- Calculate the simple average of the library outlets
 - Add discounts for each outlet and divide by total number of outlets

Consortia

- Consortia discounts are based on the discounts of all of the members of the consortia
- Calculate the discount rate for each consortium member
 - This could be individual entities or districts
- Then calculate the simple average of the discounts of the consortium members

Non-Instructional Facilities

- Non-instructional facilities (NIFs) are buildings operated by a school, library, or district that are not schools or do not contain public library spaces
- NIFs may or may not contain classrooms
- NIFs are always eligible for Priority 1 services
- NIFs are only eligible for Priority 2 services if the services are essential for the effective transport of data to the classroom or public areas of the library

Calculating Your Discount

Non-Instructional Facilities

- NIFs on the campus of single school/library and that serve only that entity, get the discount of that school/library
 - Separate entity number necessary only if public right-of-way is crossed
- NIFs that serve multiple schools/libraries, and without classrooms or public areas, get shared discount for the school district/library system
 - Use Block 4 checkbox for shared discount worksheet
 - Use additional worksheet if needed to indicate entities receiving service

Calculating Your Discount

Non-Instructional Facilities

- NIFs that serve multiple schools and have classrooms use the snapshot method to get discount
 - Snapshot method: Choose a specific day and determine the NSLP eligibility of the student population that is in class on that day
 - Retain documentation of your calculation

Calculating Your Discount

New School Construction

- School under construction
 - Population is known = use that data
 - Population is unknown = use district shared discount
- Library under construction
 - Same as regular individual library outlet
- Private/Charter Schools
 - Population is known: use that data
 - Population is unknown: apply for 20% but can amend with actual figures if obtained later

Calculating Discounts

National School Lunch Program

National School Lunch Program

NSLP Participation

- E-Rate discounts are based on NSLP eligibility
- Applicants may use NSLP participation number to support their discounts

National School Lunch Program

Provisions 1, 2, and 3

- Allow for socio-economic survey to be used to establish reimbursement rate and reduce paperwork for schools
- Applicant uses approved NSLP eligibility percentage to calculate discount rate
- Schools submit base-year documentation to support discount rate
- If extension is granted, applicants can submit extension approval letter to support discount rate

National School Lunch Program

Direct Certification

- Schools are given lists of students whose families participate in other social service programs
- Students are automatically enrolled in NSLP
- School does not retain more detailed information regarding the student's eligibility
- All Direct Certification students are considered eligible for the NSLP for E-Rate discount purposes.

National School Lunch Program

Community Eligibility Option (CEO) aka Provision 4

- New option under NSLP
- Requires at least 40% of students to be eligible for free meals through Direct Certification
- Schools serve free breakfast and lunch to all students
- Reimbursement rate = % of students directly certified times 1.6 (a national multiplier)
- Program is being phased in nationally over four years
- Three states are eligible in 2011; four more will in 2012
- FCC is considering how this will work with E-Rate
- Further guidance will be forthcoming

National School Lunch Program

Head Start

- All Head Start students meet free lunch guidelines under NSLP
- Head Start entities automatically qualify for 90% discount
 - Head Start is eligible only in certain states
 - Home based Head Start is not eligible

Calculating Discounts

Alternative Discount Methods

Alternative Discount Mechanisms

Alternative Discount Mechanisms

- NSLP eligibility based on student's family being at or below 185% of federal poverty levels
- Income Eligibility Guidelines (IEG) published annually by U.S. Department of Agriculture
- Other alternative discount methodologies seek to determine if a student meets the NSLP IEG threshold

Alternative Discount Mechanisms

Acceptable Mechanisms

- Programs that meet the IEG threshold for the NSLP:
 - Medicaid
 - Food stamps (SNAP)
 - Supplementary Security Income (SSI)
 - Section 8 Housing Assistance
 - Low Income Home Energy Assistance Program (LIHEAP)
 - Food Distribution Program on Indian Reservations

Alternative Discount Mechanisms

Unacceptable Mechanisms

- Programs that do not meet the IEG threshold for the NSLP:
 - Temporary Aid to Needy Families (TANF)
 - Title 1
 - Scholarship programs

Alternative Discount Mechanisms

Sibling Match

- If school can establish that one sibling in a family is eligible for NSLP, then it can count the other siblings in the same family as eligible for NSLP even if the other siblings do not participate .

Alternative Discount Methods

Surveys

- Must be sent to all families whose children attend the school
- Surveys must contain at least student and family name, size of family, income level of family or acceptable alternative mechanism
- Surveys are valid for two years
- NSLP application forms are never an acceptable survey instrument

Survey Extrapolation

- If a survey is sent to all households of its students, and
- If at least 50% of surveys are returned
- School may extrapolate the data to 100% of its students
- Example:
 - 100 families received the survey; 75 returned them
 - 25 students in the 75 responses are eligible for NSLP
 - $25/75 = 0.33$
 - School can report 33% of all students are eligible

Alternative Discount Methods

Combining Alternative Discount Methods

- Ensure that the same students are not double counted.
- Surveys cannot be combined with other alternative discount methods if you have extrapolated
- Provisions 1-4 cannot be combined with other alternative discount methods since they include extrapolation
- Keep detailed records to show that the same students were not double counted

Alternative Discount Methods

Combining Alternative Discount Methods

- Acceptable Combinations
 - NSLP Participation + Sibling Match when scrubbed for duplicates
 - NSLP Participation + Survey not extrapolated and when scrubbed for duplicates
 - Survey + Direct Cert when scrubbed for duplicates
 - Survey + Financial Aid data when scrubbed for duplicates

Alternative Discount Methods

Combining Alternative Discount Methods

- Unacceptable Combinations
 - Extrapolated survey + sibling match
 - Provision 2/3 + sibling match
 - Provision 2/3 + survey for alternative discount mechanisms
 - NSLP Participation + extrapolated survey
 - NSLP Participation + Direct Certification

Alternative Discount Methods

Ineligible Discount Calculation Methods

- Feeder School Method
 - Extrapolating from elementary to secondary schools
- Principal's Survey/Estimate
 - Based on administrators' knowledge of some of their students
- Title I eligibility
- Neighborhood poverty measurements

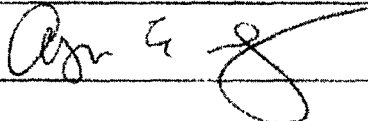
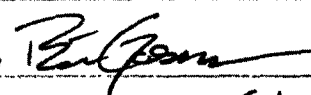
Questions?

Thank you!

MANAGED IT PROPOSAL/AGREEMENT

Thank you for selecting Syand Corporation!

We are committed to providing you with the highest quality services. If, at any time, you have questions or problems please let us know. Our goal is to provide you premium service and support.

<p><i>Client Signature</i> </p> <p><i>Printed Name</i> Angela E. Chang <i>Title</i> Principal</p> <p><i>Full Business Name of Client</i> Minneapolis College Preparatory School <i>Date</i> 3/5/12</p>	<p><i>Syand Authorized Signature</i> </p> <p><i>Printed Name</i> Brian Gessner <i>Title</i> Sales Consultant</p> <p><i>Date</i> 3/5/12</p>
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By this Monitoring/Managed IT Services Agreement ("Agreement"), Syand Corporation ("Syand") and the customer identified above ("Client") agree as follows:

1. Engagement. Client retains Syand to perform the services described in the attached Addendum A. This Agreement shall also control any services expressly requested by Client but not included within the scope of Addendum A, if any.

2. Term. This Agreement is effective as of the 1st of July, 2012 (the "Effective Date") and shall terminate on June 30, 2013, provided neither Client nor Syand provides a termination notice within 60 days advance notice. In the event that no such termination notice is provided by Client or Syand, this Agreement shall automatically renew for the same duration as the original term under the same terms and conditions hereof except that the Fees shall be increased in an amount equal to the Syand managed services schedule rates or by the then current lowest "prime rate" published by the Wall Street Journal or the 90th day prior to the expiration of the original term; whichever is higher.

3. Fees. Client shall pay Syand the fees described in the quote in U.S. dollars by the first day of the month of services for the managed services described in Addendum A. In addition, if Client requests services which are not within the scope of the Managed Services described in Addendum A, then Client agrees to pay Syand its schedule rates for such non-covered services and within 30-days of invoice.

4. Limited Warranty and Disclaimer of all other Warranties. Syand warrants that it shall use reasonable efforts to secure qualified individuals to perform the services set forth in Addendum A. Syand makes no warranties or promises about the performance or other characteristics of Deliverables or the information, services or products provided in connection with this Agreement. Under no circumstances shall Syand have any liability for a Defect or any losses, claims, demands, penalties, actions, causes of action, suits, obligations, liabilities, damages, delays, costs or expenses, including reasonable attorney's fees, (collectively "Losses") caused, directly or indirectly, in whole or in part, by: (i) Client; (ii) a third party; (iii) abuse, misuse, alteration or use of a Deliverable outside of Syand-specified operating requirements; or (iv) any other failure not directly attributable to Syand. **ALL WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF QUALITY, DURABILITY, FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY, CONTINUOUS USE, DESIGN, COMPLIANCE WITH APPLICABLE LAW, PERFORMANCE OR ERROR-FREE OPERATION ARE DISCLAIMED IN THEIR ENTIRETY.**

5. Limitation of Liability. Under no circumstances shall Syand be liable for any Losses that are not brought to its attention by Client in writing within thirty (30) days of the event that gave rise to the alleged liability. No action arising out of this Agreement may be brought by Client more than one (1) year after the applicable Deliverable is delivered. Syand's liability arising out of this Agreement or any Deliverable is limited, in the aggregate, to the amount of fees actually paid for the applicable Deliverable. Syand shall not be liable for any incidental, consequential, special, indirect, delay, economic or property damages whatsoever (including any damages for loss of business profits, business interruption, loss of business information, or other pecuniary loss) arising out of a Deliverable or this Agreement, even if Syand or its suppliers were advised of the possibility of such damage.

6. Interference. Client shall not, directly or indirectly, during the term of this Agreement and for twelve (12) months following its termination, induce or influence any employee of Syand or any other person or entity to terminate their relationship with Syand.

7. Confidentiality. Each party shall treat the information received from the other party that is designated as confidential ("Confidential Information") as a trade secret and strictly confidential. Syand designates the Deliverables, all information relating to the Deliverables and the financial terms of this Agreement as confidential. Both parties shall: (i) restrict disclosure of Confidential Information to employees and agents solely on a "need to know" basis; (ii) advise employees and agents of their confidentiality obligations; (iii) use commercially reasonable means to comply with the confidentiality obligations of this Agreement; and (iv) notify the

other of any unauthorized possession or use of that party's Confidential Information as soon as practicable after receiving notice of same. Notwithstanding the foregoing, neither party shall be obligated to preserve the confidentiality of any information which: (i) was previously known; (ii) is a matter of public knowledge; (iii) was or is independently developed; (iv) is released for disclosure with written consent; or (v) is received from a third party to whom the information was disclosed without restriction.

8. Termination and Additional Remedies.

8.1 In addition to any other remedies to which it is entitled, Syand reserves the right to terminate this Agreement if Client: (i) commits a material breach, including non-payment; (ii) is the subject of a dissolution or bankruptcy action; (iii) suffers the appointment of a receiver or trustee; or (iv) commits any act with the intent to defraud Syand. Syand shall also be entitled to an injunction, without bond, prohibiting any breach of this Agreement by Client.

8.2 Upon termination of this Agreement for any reason, Client shall either return or destroy all of Syand's Confidential Information. In addition, upon termination of its license to use a Deliverable, Client shall cease using the Deliverable and return it to Syand.

9. Miscellaneous.

9.1 Client shall not subcontract, assign, subrogate or transfer any interest, obligation or right under this Agreement without prior written consent from Syand, and any such attempt shall be null and void. Any dissolution, merger, consolidation, reorganization or transfer of a majority of the assets or stock of Client shall constitute an attempted assignment of this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors or assigns.

9.2 This Agreement shall be governed by the state and Federal laws applicable in Minnesota, U.S.A. Any dispute, claim or controversy arising out of or relating to the subject matter of this Agreement shall be settled through binding arbitration administered by the American Arbitration Association in accordance with its then current Commercial Arbitration Rules and, if applicable and available, any specialized rules relating to the administration of technology disputes. The arbitrator shall have jurisdiction to award the prevailing party if any, its reasonable attorney's fees, costs and expenses. All arbitration proceedings shall be held in the city of Minneapolis, Hennepin County, Minnesota, U.S.A. Judgment on any arbitration award may be entered in any court having jurisdiction over the subject matter of the parties.

9.3 Syand shall not be liable for any loss, damage or failure due to causes beyond its control, including strikes, riots, earthquakes, epidemics, wars, fires, floods, weather, power failure, telecommunications interruption, the failure or closure of a financial institution, computer malfunctions, acts of God, or any other failure, interruption or error not directly caused or reasonably anticipated, by Syand.

9.4 This Agreement, together with any specifically referenced documents, constitutes the entire understanding of the parties with respect to its subject matter, and all prior agreements, understandings and representations are canceled in their entirety.

9.5 Client shall be solely responsible for any taxes or similar charges arising out of this Agreement, including all applicable customs, duties, sales taxes, use taxes, value-added taxes, excise charges or brokerage fees. Client shall also be solely responsible for assessing and remitting payment for any such items to the appropriate authorities.

9.6 This Agreement may only be modified by written agreement of the parties. Sections 4, 5, 6 and 7, as well as subsections 8.1, 9.2 and 9.5, shall survive termination of this Agreement.

Addendum A

Angela Chang
Minneapolis College Prep
2131 12th Ave North
Minneapolis, MN 55411

Mar 5, 2012

Dear Angela:

Thank you for considering Syand Corporation. We believe that Syand Corporation can offer Minneapolis College Prep the very best technology solution given your requirements. Please review the following tables which outline the specifications Syand Corporation is recommending for your school.

Hardware and Software Requirements

(1) Dell PowerEdge R710

(2) Intel® Xeon® E5620 2.4Ghz, 12M Cache, Turbo, HT, 1066MHz Max Mem
32GB Memory (8x4GB), 1333MHz Dual Ranked LV RDIMMs for 2 Processors, Advanced ECC
(4) 500GB 7.2K RPM SATA 3.5in Hot-plug Hard Drive
PERC 6/i SAS RAID Controller, 2x4 Connectors, Internal, PCIe, 256MB Cache, x6
Dual Two-Port Embedded Broadcom® NetXtreme II 5709 Gigabit Ethernet NIC
iDRAC6 Express
DVD ROM, SATA, Internal
ReadyRails™ Sliding Rails
RAID 5 for H700 or PERC 6/i Controllers
High Output Power Supply, Redundant, 870W (2 Power Cords)
Keyboard and Optical Mouse, USB, Black, English, with 17" LCD Monitor
3 Year NBD On-site Warranty w/ SATA

(1) Firewall

Sonicwall NSA 2400 with 3-Year Comprehensive Gateway Protection

(24) Wireless Access Points

SonicWALL SonicPoint
Dual Band IEEE 802.11n draft 2.0
3-Year NBD Maintenance Warranty

(5) Switches

48-Port Gigabit Stackable with PoE

(1) KVM Switch

Tripp Lite Rack-Mount
Includes Cables
1-Year Warranty

(2) APC Smart UPS

1500VA Rack Mount

(1) Enclosed Rack

Dell 4220 42U Rack with Doors and Side Panels
Three Fixed Shelves

(1) Microsoft Windows Server 2008 Standard

(27) Microsoft Windows 2008 CALs

(1) Microsoft Exchange Server 2010

(27) Exchange CALs

Shipping/Handling

Phone System

(1) VOIP Server Professional Edition

Sangoma A101D One Port T1 / E1 - Echo Cancellation
3CX Professional Edition 16SC
5 Year Software Assurance and Hardware Warranty included
3CX Professional Edition 16SC
supports up to 16 simultaneous callers.
Dell PowerEdge R710
Intel Xeon E5606 2.13GHz, 8M Cache
4GB Memory (2x2GB), 1333MHz Single Ranked LV UDIMMs
Windows 2008 Server Standard
(2) 500GB, 7.2k SATA Drives, Hot Plug
Redundant Power Supply

Cabling

Schoolwide Cabling

(35) Cat5e Cables for Computer Lab (Rm#133)
All-Metal Raceway and Boxes
**Assumes power pole to be provided and installed by electrician
(24) Cat5e Cables for Wireless Access Points
(12) On Floor One
(6) On Floor Two
(6) On Floor Three
Tone, Test and Label

Integration

Includes Integration/Set-up of:

Exchange
Domain Controller
Active Directory
Firewall
Wireless
Switches
UPS's
Rack
Phone System
Internet Setup

TOTAL SOLUTION

TOTAL SOLUTION

\$ 78,875.00

Syand guarantees this to be a fixed bid. Minneapolis College Prep will not be charged any additional fees that fall within the scope of this project. In the event of a scope change, Minneapolis College Prep and Syand will come to an agreement on any additional charges before additional work is done.

This proposal assumes the internet connection is functional. Troubleshooting internet connectivity issues is not included in this proposal. Coordination fees with the Internet Service Provider will be billed separately at \$135.00 per hour. High-speed internet and a static IP address are also required for this solution.

Please feel free to call me at 612.701.3656 (cellular) with any questions. Otherwise, I will follow up with you in the next few days.

Thank you for considering Syand Corporation!

Sincerely,

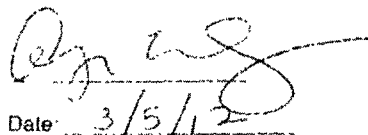
Bric M. Gessner
Sales Consultant
Syand Corporation -- "Technology Assurance"

"I hereby approve the above project, subject to E-Rate approval."



Date: 3/5/12

Bric M. Gessner
Sales Consultant
Syand Corporation



Date: 3/5/12

Angela Chang
Principal
Minneapolis College Prep

Addendum B

Angela Chang
Minneapolis College Prep
2131 12th Ave North
Minneapolis, MN 55411

Mar 5, 2012

Dear Angela:

Thank you for considering Syand Corporation. We believe that Syand Corporation can offer Minneapolis College Prep the very best technology solution given your requirements. Please review the following information which outline the specifications Syand Corporation is recommending for your school.

Basic Maintenance of Internal Connections

Network

Scheduled/Remote examinations of eligible server and associated components:

- * Hot Fixes
- * Server Patches
- * Server Performance Issues
- * Server Resource Issues
- * Event Logs
- * Drive Utilization
- * Memory Utilization
- * Verification of all necessary services functionality
- * Back Up Logs - remote verification of back up.
- * File Restoration, if required.
- * Exchange Server troubleshooting

Interaction with software and hardware vendors to resolve warranty issues.

Consultation with the school on items related to server and server software.

Management of Renewals and Warranty extensions for associated software and hardware, including:

- * Firewall
- * Server

Covers all E-Rate applicable devices for Minneapolis College Prep

Interaction with software and hardware vendors to resolve warranty issues.

Technical Research and ordering of software or hardware for systems.

Technical E-Mail sent out on all work accomplished.

INCLUDED ITEMS

- Email Server
- Switches
- Firewall
- Wireless Access Points
- UPS's
- Phone System
- Network Cabling

Items not included in Managed Services Contract:

Clearly defined projects that change the environment, for example:

- * Network Upgrades (once done, will be supported under Managed Services Contract)
- * New Server Purchase (once added, will be supported under Managed Services Contract)
- * Adding new software to the environment (once added, software will be supported)

Other items not included in contract:

- * Internet Connectivity - Review/Ordering. Troubleshooting is included in contract.
- * Copiers
- * Database Creation or Maintenance.
- * Service Support from QuickBooks, ACT!, Microsoft, or any other software vendor are not included. Meaning, if Syand needs Microsoft's support to resolve an issue Minneapolis College Prep must incur the cost of the service ticket with Microsoft (\$245.00).

TOTAL MANAGED SERVICES SOLUTION

TOTAL MANAGED SERVICES SOLUTION

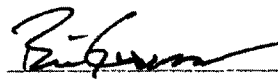
\$ 18,000.00

Please feel free to call me at 612.701.3656 (cellular) with any questions. Otherwise, I will follow up with you in the next few days.

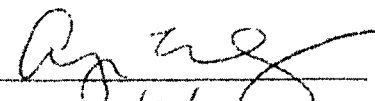
Thank you for considering Syand Corporation!

Sincerely,

Bric M. Gessner
Sales Consultant
Syand Corporation - "Technology Assurance"


Date: 3/5/12

Bric M. Gessner
Sales Consultant
Syand Corporation


Date: 3/5/12

Angela Chang
Principal
Minneapolis College Prep



USAC
Universal Service Administrative Company
Schools and Libraries Division
Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

TIME SENSITIVE MATERIAL

01461
Angela Chang
MINNEAPOLIS COLLEGE PREPARATORY SCHOOL
PO Box 14922
Minneapolis, MN 55414